

THE MISSOURI BUDGET

FISCAL YEAR 2014

SUMMARY

I. OVERVIEW

Governor Nixon is a firm believer that by working together there is no limit to what can be accomplished. Leading by example, Governor Nixon continues to work with the General Assembly to ensure Missouri's Budget remains balanced without raising taxes.

Since taking office, Governor Nixon has cut spending by \$1.8 billion and ensured state government is smaller and working smarter and more efficiently for Missouri taxpayers. These spending reduction decisions were tough but necessary to ensure resources remained available for high priority items, like funding for K-12 classrooms. His fiscally conservative management style helps Missouri retain its AAA credit rating from all three rating agencies – one of only a few states in the nation with this superb rating.

Governor Nixon's Fiscal Year 2014 Budget priorities are investing in education, creating jobs for Missourians; providing transitional health care to low-income working Missourians; and continuing his efforts in fiscal discipline and streamlining government.

Education

Governor Nixon knows the importance of a quality public education. In today's competitive economy, education is the key to finding a good job. He is dedicated to ensuring that every Missouri child has access to a world-class education.

Governor Nixon believes that early childhood programs are smart investments. The economic and academic consequences of failing to invest in early childhood education are staggering—reduced academic achievement,

lower-paying jobs, and a high reliance on public assistance.

For Early Childhood Education the Fiscal Year 2014 Budget provides:

- \$44.8 million for the First Steps Program, an increase of \$1.5 million.
- \$18.3 million for the Missouri Preschool Program, an increase of \$10 million.
- \$6.2 million for Early Head Start Programs, an increase of \$3.5 million.
- \$3.5 million new funding to assist childcare providers with improving the quality of their services and become accredited.

Under Governor Nixon's leadership, state support for Missouri's public elementary and secondary schools remains a top priority. The Governor's Fiscal Year 2014 Budget includes record funding for K-12 classrooms.

For Elementary and Secondary Education, the Fiscal Year 2014 Budget provides:

- \$3.075 billion for the state's foundation formula, an increase of \$65.9 million.
- \$793.1 million for K-12 school districts from Proposition C collections, an increase of \$32.5 million.
- \$38.1 million for special education high cost students, an increase of \$8.8 million.

To incentivize higher education institutions to focus on college completion and ensure taxpayer investments yield the best return, Governor Nixon's Fiscal Year 2014 Budget includes new funding based on improved outcomes. This incentive funding allocates a portion of the higher education budget based on specific measures in student success, degree completion, professional certification, financial responsibility, and efficiency.

Missouri's scholarship programs help students and families struggling to pay for college and keep the best and brightest students in the state by assisting families with continued access to higher education. The Governor's Fiscal Year 2014 Budget provides over \$100 million in the state's major scholarship programs:

- A+ Scholarship Program—provides two years of tuition-free study for eligible students at Missouri community colleges and career/technical schools.
- Academic (Bright Flight) Scholarship Program—provides scholarships to graduating high school seniors scoring in the top three percent on academic achievement tests.
- Access Missouri Financial Assistance Program—provides need-based scholarships to eligible Missouri students.

For Higher Education, the Fiscal Year 2014 Budget provides:

- \$34 million new incentive funding for colleges and universities based on improved outcomes.
- \$62.8 million to maintain current funding levels for the Access Missouri Scholarship Program, assisting an estimated 56,000 students.
- \$30.4 million for the A+ Scholarship Program, an increase of \$1 million to ensure students graduating from any Missouri public high school have access to this scholarship, assisting an estimated 13,600 students.
- \$12.3 million to maintain level funding for the Academic Scholarship Program (Bright Flight), assisting an estimated 6,100 students.

Jobs

Governor Nixon's top priority is to create jobs for Missourians. He continues to focus on improving the state's economic development tools and planning for future economic needs. Missouri's improving economy is evidenced through increased hiring by business, accelerated state exports, and expansions of companies. The Governor will work with the General Assembly to:

- Create an up to date, streamlined business development incentive plan;
- Streamline the state's industry training programs;
- Expand Missouri's exports to other countries; and
- Develop a bonding package to fund critical projects.

The Fiscal Year 2014 Budget provides:

- \$19.1 million for the Division of Tourism to enhance efforts to showcase Missouri and foster partnerships in the travel and tourism industry, an increase of \$6 million.
- \$15.9 million for the Missouri Customized Job Training Program, to provide training assistance to eligible businesses to retrain workers in existing jobs or train workers in newly created jobs, an increase of \$2 million.
- \$10.6 million to expand childcare assistance to more low-income working families and increase rates to help ensure access to quality childcare.
- \$8 million for distribution to the Missouri Arts Council and the other cultural partners from the tax collections on non-resident athletes and entertainers, an increase of \$7 million.
- \$5.5 million for biodiesel production incentives, an increase of \$600,000.
- \$4.2 million to improve ports along the state's major waterways and to advance the movement of freight between major transportation modes, an increase of \$3.9 million.
- \$2.3 million new funding for trade promotion activities and resources to expand Missouri exports to other countries.

With Missouri's perfect Triple A credit rating intact and interest rates at all-time lows, Governor Nixon believes now is the time to responsibly move forward with a bond issuance. Interest rates today are about one-half of what they were in 1995 when fourth state building bonds were issued and one-third of what they were when third state building bonds were issued in 1983. But in order to have the Governor's support, any bond issuance must meet two conditions. First, it must be narrowly focused on smart, strategic infrastructure investments. Second, there must be a specific way to pay for it. The Governor recommends targeting the use of the bond funds on:

- A permanent, low-interest, loan fund dedicated to improving our K-12 school buildings and facilities.
- Cutting-edge facilities on our college campuses in areas that are critical to our competitiveness, such as engineering, math, and the life sciences.
- Construction of a modern facility to replace Fulton State Hospital that's better-suited to the needs of mentally ill patients and the people who care for them.
- Improved accommodations at Missouri's state parks, which need an upgrade, including top-of-the-line cabins and lodges that would increase tourism, put more Missourians to work, and boost our economy.

The way to pay for the repayment of these bonds is clear; the tax credit system is out of control and demands reform. In July 2010, Governor Nixon appointed a Tax Credit Review Commission to review the state's tax credit programs and make recommendations for greater efficacy and enhanced return on investment. Twenty-four business, community, and legislative leaders served on the commission, to which the Governor renewed his charge in 2012. The Governor supports the implementation of key updated recommendations, including eliminating inefficient programs, and implementing reasonable caps. These changes will generate savings to pay for the costs of the bonding package. The Governor also recommends that savings from the renters portion of the property tax credit be set aside in the Missouri Senior Services Protection Fund. Governor Nixon will work with legislators to ensure that we use these financial tools wisely, effectively, and efficiently to achieve our economic goals.

Public Health and Safety

➤ Strengthening Medicaid

For many low-income working Missourians, access to health care is limited to the door of an emergency room. The preventive and primary care enjoyed by most Missourians is not an option for those without a job that provides medical insurance.

In 2012, Governor Nixon laid out his plan to provide health care coverage for

300,000 Missourians. A fiscally responsible move for taxpayers, federal funding will cover 100 percent of the costs for the first three years, phasing down to 90 percent in 2020. The savings and revenue generated will more than offset the cost of the expansion. It will provide coverage for a Missouri family of four making up to \$31,809 a year.

Hospitals are required by law to treat people who have no health insurance; this passes the high cost of caring for the uninsured to employers and individuals through higher premium costs. A recent report by the Missouri Hospital Association found that in 2011, Missouri hospitals provided \$1.1 billion in uncompensated care to Missourians — a record level. Hospitals in Missouri are facing significant cuts in federal funding. Some hospitals, particularly in rural areas, may be forced to close. One-third of the state's population resides in rural Missouri. Expanding health care coverage will increase the resources available to these hospitals, helping ensure their survival and preserving access to local medical care for Missourians living in rural areas.

Strengthening our Medicaid system will infuse \$1.8 billion of federal funds into the state of Missouri in Calendar Year 2014. This infusion of federal dollars will allow employers to add jobs to their payrolls. A recent study by the University of Missouri stated that this additional funding for health care will create 24,000 new jobs in Missouri in 2014, alone.

In Fiscal Year 2014 strengthening Medicaid will:

- Increase new federal dollars spent on health care by \$907.5 million paying for coverage of 300,000 uninsured working adults.
- Result in general revenue savings of \$31.1 million by using federal funds to cover costs currently paid with state dollars and \$15.5 million in additional general revenue collections, for a net positive impact of \$46.6 million.
- Pay providers rates equal to those paid in the commercial market.
- Provide incentives to clients, providers, and plans to improve health outcomes and hold down costs.

➤ Partnership For Hope

The demand for home and community-based services for individuals with developmental disabilities previously resulted in a large backlog of Missouri families waiting for help. In 2010, Governor Nixon announced the Partnership for Hope to provide families with services sooner than previously possible, delaying or avoiding the need for residential or institutional care in many cases.

Governor Nixon's Fiscal Year 2014 Budget includes a \$10.2 million increase to expand the Partnership for Hope. This increase will provide home and community-based services to over 1,000 new individuals with developmental disabilities. This program, which started in 2010, will grow to more than 3,500 participants by the end of Fiscal Year 2014.

➤ Mental Health Care

Governor Nixon's Fiscal Year 2014 Budget includes \$10.1 million of funding for the Department of Mental Health to strengthen Missouri's mental health system. These dollars will be directed to help those in first contact with someone with a mental illness to understand how to respond as well as provide options to ensure Missourians who have a mental illness are directed to appropriate care. Specifically, the budget will:

- Invest dollars to expand the Mental Health First Aid training. This training provides a basic understanding of mental illness for educators, students, law enforcement, church leaders, and employers.
- Improve the coordination of services from schools to law enforcement to treatment providers for individuals with mental illness, by placing mental health liaisons in community mental health centers across the state.
- Expand the National Alliance for Mental Illness Family-to-Family and Basics programs.
- Provide for additional crisis intervention training for law enforcement that is

specific to individuals in mental health crisis situations.

- Focus on emergency room diversion projects to help mental health patients get the appropriate type of care when it is needed.

Fiscal Discipline

Governor Nixon has made it a priority to review operations of state government to ensure that state agencies are smaller, smarter, and more efficient. Efficiencies include the downsizing of leased space, sale of state property, reduction in the state's vehicle fleet, implementation of numerous technology initiatives, and reductions in the state's workforce.

Efforts to continue the Governor's fiscal discipline plan include – reductions in administrative costs, investing in technology to continue downsizing state government, efficiencies in providing healthcare services, tax credit reform, and revenue collection improvements.

➤ Administrative Efficiencies

Each year Governor Nixon's Budget recommendations require state agencies to efficiently utilize resources and reduce administrative costs. Fiscal Year 2014 is no different; his budget includes reducing the state workforce by nearly 200 positions, bringing the total reduction to over 4,500 positions since 2009.

The Governor's Fiscal Year 2014 state employee compensation package includes a general structure adjustment, a repositioning for certain positions, and funding for retirement and health care benefits.

General Structure Adjustment--The Governor's Budget includes a two percent pay raise for all state employees, beginning January 1, 2014. The cost of the pay plan for Fiscal Year 2014 is \$24.7 million, including \$11.7 million general revenue.

Repositioning—Governor Nixon recognizes the importance of having experienced direct care nurses in our state agencies and state operated institutions. Entry level

nursing positions experience a voluntary turnover rate of over 38%. Investing money in the salaries of the more than 1,800 nurses serving some of our most vulnerable citizens will improve the state's ability to recruit new nurses as well as retain experienced nurses. The Fiscal Year 2014 Budget provides \$3 million, including \$1.6 million general revenue, for nursing and nursing assistant job classes.

Employee Benefits—The Governor's Budget includes a \$45.6 million increase, including \$24.3 million general revenue, to fully fund the actuarially required contribution to the Missouri State Employees Retirement System. His budget also includes funding to the Missouri Consolidated Health Care Plan that will allow for no increase in premiums for employees earning incentives for wellness activities.

➤ Health Care Efficiencies

Governor Nixon has implemented significant cost containment strategies to control the growth in the Medicaid program during his tenure, including:

- Improving care management for high cost users, thereby lowering costs and improving health status for our most expensive clients.
- Enhancing efforts to focus on community care for seniors and people with disabilities, to reduce more costly nursing home care, thereby earning enhanced federal funding for these services.
- Increasing use of generic drugs, rather than more expensive name-brand drugs.
- Cutting costs for managed care through rate adjustments that promote better coordinated care, lower administrative costs, and ensure the rates are at the most cost-effective level.
- Consolidating Medicaid audit and compliance functions in a single unit to improve the identification and lower the incidence of fraud in the Medicaid Program.
- Reducing rates paid to providers to a level that would still ensure access to services, but also keep costs low.

- Increasing coordination of benefits with other insurance providers; ensuring costs are appropriately paid by those other insurers rather than Medicaid.
- Using other funding sources to lower the need for scarce state general revenue.

The Governor's Budget will continue and expand upon these successful efforts to control the cost of the Medicaid Program and improve the health of Missourians receiving Medicaid benefits.

➤ Revenue Efficiencies

The Department of Revenue is charged with collecting taxes and debt owed to the State of Missouri. Every year millions of dollars of legitimate, unpaid tax debt elude state coffers. Governor Nixon directed the department to conduct a thorough review of its operations and shift savings to enhance its revenue collection efforts. Many changes have been implemented but others require legislative enactment. The Governor supports legislation for:

- **Sales Tax Fairness**—the department will be able to collect sales taxes from out-of-state vendors that have an unfair competitive advantage over vendors in the state. These changes will realign "nexus" standards to make them comparable to federal standards and those of other states. In addition, the state will join the Streamlined Sales Tax Agreement, minimizing the differences between sales and use tax regulations of the member states. This will encourage out-of-state retailers to collect and remit sales tax to Missouri. Together, these initiatives are estimated to increase collections by \$15 million in Fiscal Year 2014, including \$10.5 million general revenue.
- **Federal Vendor Offset**—the department will establish reciprocal agreements with the federal government to offset vendor payments for any outstanding debt. This change will generate \$2 million, including \$1.6 million general revenue, in Fiscal Year 2014, and similar amounts annually thereafter.

- Administrative Garnishments—the department will be able to issue garnishments directly to banks and employers instead of filing them with the circuit court, which requires service by the county sheriff. This will streamline the current process and generate \$1.5 million general revenue in Fiscal Year 2014 and \$3 million annually thereafter.

➤ Tax Amnesty

Governor Nixon also supports tax amnesty legislation to increase state revenue collections allowing taxpayers who owe the State of Missouri delinquent taxes to pay the taxes owed and be excused from penalties and interest that have accrued. Amnesty will be provided on a one-time, limited basis. This initiative is estimated to increase collections by \$61.4 million in Fiscal Year 2014, including \$51.8 million general revenue.

II. THE ECONOMIC OUTLOOK

U.S. Economic Position

The national economy continued to grow in Calendar Year 2012, even as businesses and consumers awaited the outcome of the November elections. Uncertainty surrounded federal fiscal policy, as it was apparent no plan to avert the “fiscal cliff” would be developed until after the polls closed. While intended to reduce the budget deficit and shrink the growing federal debt, the spending cuts adopted in the summer of 2011, together with the expiration of tax cuts passed throughout the prior decade, would significantly reduce economic growth early in 2013. The President and Congress eventually reached an agreement on tax policy as the year started; discussion on spending cuts was delayed until spring.

The economy continued to expand despite two significant weather events. Over the summer, the Drought of 2012 impacted farm incomes and reduced food inventories. At the other extreme, Hurricane Sandy came ashore in New Jersey in late October, causing substantial wind and water damage to much of New England.

Despite these challenges, the economy grew modestly in 2012. Average employment increased 1.4 percent over the year. The unemployment rate steadily edged lower, to 7.8 percent in December, near the lowest rate over the last four years. Personal income continued to improve. Consumer confidence and spending are gradually recovering, even in the face of high gasoline prices. Corporate profits are near record highs, both in nominal terms and as a share of the economy. The S&P 500 index closed the year 13.4 percent above 2011. Housing prices have increased, and the inventory of homes has dwindled, which should spark construction.

Assuming no missteps in fiscal policy, the economy is poised for growth, and the outlook over the next two years is promising. Businesses have financing available, and the Federal Reserve continues to hold interest rates down. This should spark additional investment in equipment and eventually labor. Similarly, mortgage rates remain at historic lows, which will continue to support the improving housing market. Consumers will feel more comfortable releasing pent-up demand, and the recovery will become self-sustaining. Due to changes in fiscal policy, forecasters are anticipating only slight economic growth during the first half of 2013, but the growth will accelerate to rates well above trend by the end of 2014.

In addition to the risks posed by fiscal policy, there are numerous other risks to this outlook. Should the European Union fail to get its finances in order, repercussions will quickly radiate throughout the global economy. Geopolitical conflicts, especially in the Persian Gulf, could have a powerful impact on oil prices. However, economic growth could exceed expectations if the mounting housing recovery takes off, and business investment accelerates.

Missouri Economic Position

Missouri’s economy, is improving, as evidenced by recent indicators. According to payroll data in December, Missouri added 40,000 jobs. Through all of 2012, employment improved 0.3 percent compared to 2011. Unemployment claims have fallen to pre-recession levels. Missouri’s unemployment rate declined to 6.7 percent in December, the lowest rate in over four years. Personal

Economic Projections			
	Increase by Calendar Year		
<u>U.S.</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Real GDP	2.2 %	2.1 %	2.9 %
Employment	1.4 %	1.3%	1.5 %
Unemployment Rate	8.1 %	7.7 %	7.6 %
Personal Income	3.4 %	2.4 %	4.6 %
Consumer Expenditures	3.7 %	3.6 %	4.5 %
Consumer Prices	2.1 %	1.9 %	1.6 %
 <u>MISSOURI</u>			
Employment	0.3 %	0.7 %	1.6%
Personal Income	3.4 %	2.0 %	4.3 %

income continues to grow at a modest pace. Export growth has been robust in 2012. Missouri's economy is expected to grow at a quicker pace, especially in the second half of calendar year 2013. Job growth will accelerate into 2014. The housing market remains relatively stable compared to the U.S. as a whole, and prices are improving. Risks are similar to those of the nation as a whole.

III. REVENUE PROJECTIONS FOR FISCAL YEARS 2013 AND 2014

Governor Nixon and legislative leaders once again reached a consensus revenue estimate for Fiscal Years 2013 and 2014.

Continued steady growth is expected for Fiscal Year 2013. The revised revenue estimate calls for growth of 4.8 percent, which reflects modest growth in income and sales taxes, with an additional one-time boost from the national mortgage settlement. The impacts of the phase-out of corporate franchise tax will become evident in Fiscal Year 2013. Further, state tax changes in the form of income tax relief for seniors and veterans will continue to curtail revenue growth. Tax credit redemptions will remain strong.

While improving employment and spending growth would otherwise boost general revenue collections by 4.8 percent in Fiscal Year 2014,

the franchise tax phase-out and expected federal tax changes will hold revenue growth to only 3.1 percent. Even if this growth rate is achieved, general revenues will remain about \$75 million below actual collections in Fiscal Year 2008.

IV. REVENUE LIMITATION AMENDMENT

Article X of the Missouri Constitution establishes a revenue and spending limit on state government. The limit is 5.6 percent of Missouri personal income, based on the relationship between personal income and total state revenues when the limit was established and approved by voters in November 1980. Calculations made pursuant to Article X of the Missouri Constitution show that total state revenues for Fiscal Year 2012 were below the total state revenue limit by over \$3.7 billion.

The Office of Administration projects that total state revenues will not exceed the total state revenue limit in Fiscal Years 2013 or 2014. These preliminary calculations are subject to change as actual state revenue collections become known and as the federal government revises its estimates of Missouri personal income. These projections could change if legislation was approved to increase taxes without a vote of the people. Pursuant to Article X of the Missouri Constitution, revenue approved by the voters is not subject to the revenue and spending limit.

In addition, Article X, Section 18(e) of the Missouri Constitution states the General Assembly shall not increase taxes or fees in any fiscal year, without voter approval, that in total produce net new annual revenues greater than \$50 million, adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or one percent of total state revenues for the second fiscal year prior to the General Assembly's action, whichever is less.

"Net new annual revenues" is defined as the net increase in annual revenues produced by the total of all tax or fee increases by the General Assembly in a fiscal year, less refunds and less all contemporaneously occurring tax or fee reductions in that same fiscal year.

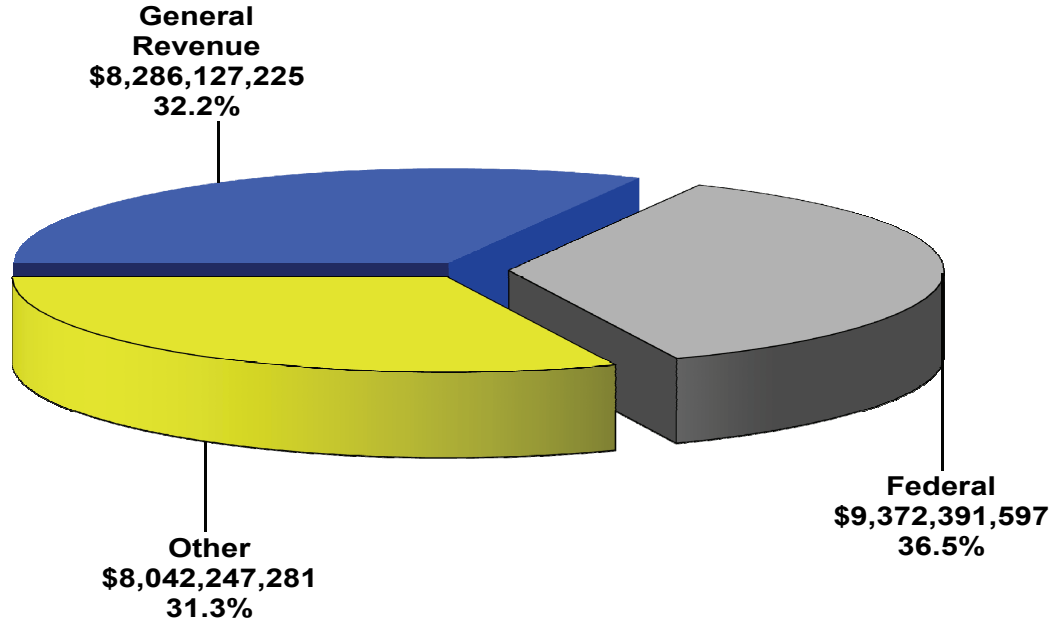
For Fiscal Year 2012, these calculations were \$103.2 million for the personal income amount and \$80.2 million for the one percent of total state revenues amount. Legislative actions in the 2012 session resulted in a decrease of \$1.3 million in state revenues when the provisions are fully implemented.

For Fiscal Year 2013, the calculations are \$106.1 million for the personal income amount and \$84.2 million for the one percent of total state revenues amount.

FY 2014 TOTAL OPERATING BUDGET

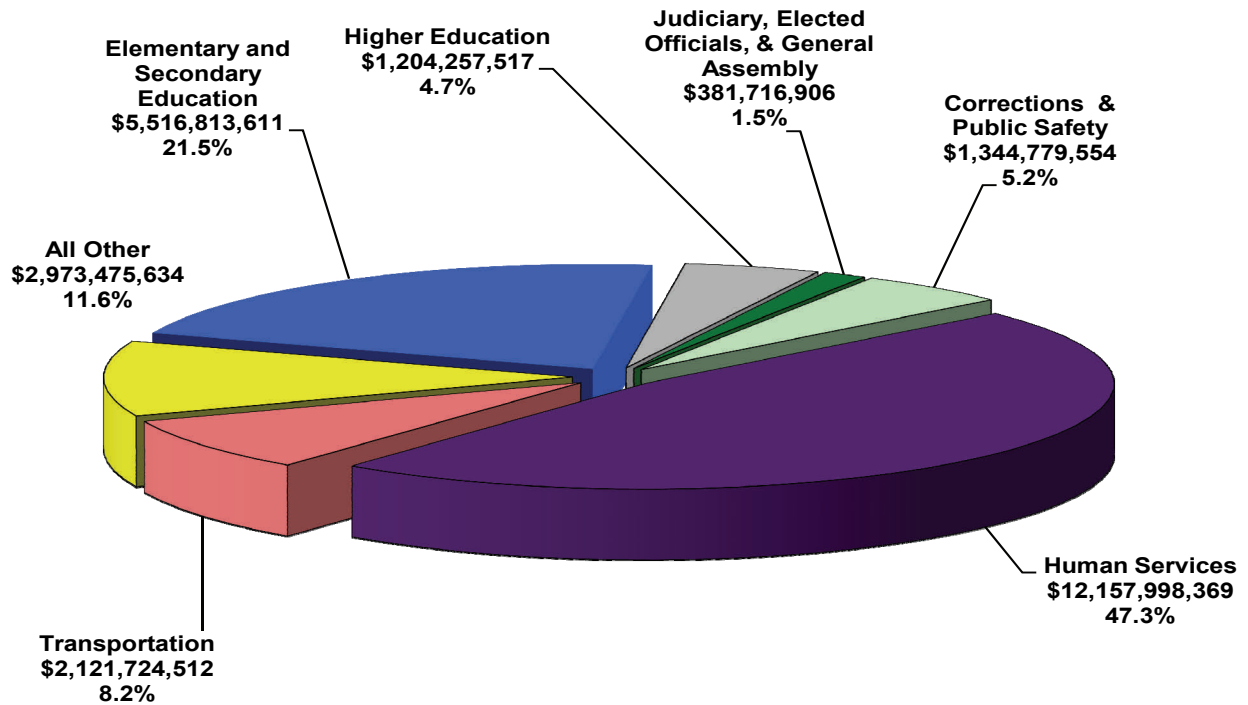
SOURCES OF FUNDS

Total Funds* \$25,700,766,103



GOVERNOR'S RECOMMENDED OPERATING BUDGET—ALL FUNDS

Total Appropriations* \$25,700,766,103



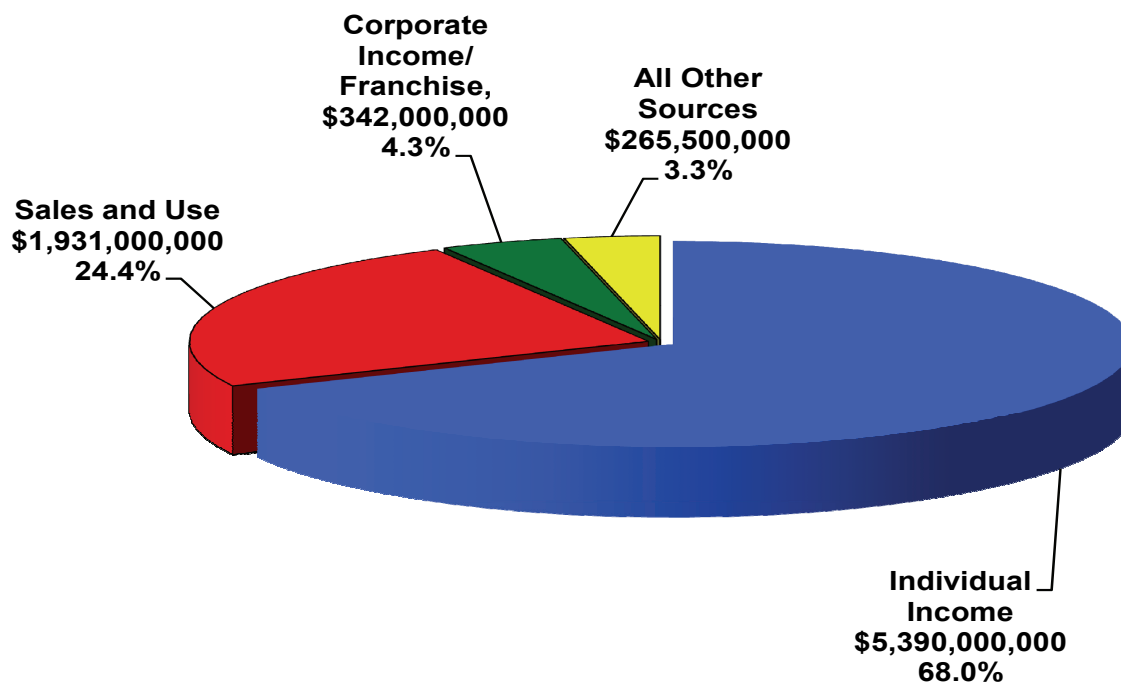
*Excludes refunds

GENERAL REVENUE RECEIPTS AND ESTIMATES

	Actual Receipts FY 2012	Consensus Estimate FY 2013	Consensus Estimate FY 2014
<u>Collections</u>			
Individual Income Tax	\$ 5,844,676,938	\$ 6,103,000,000	\$ 6,370,000,000
Sales and Use Tax	1,873,305,715	1,915,000,000	1,966,000,000
Corporate Income/Franchise Tax	502,854,351	485,000,000	477,000,000
County Foreign Insurance Tax	191,832,380	200,000,000	210,000,000
Liquor Tax	25,579,812	26,000,000	27,000,000
Beer Tax	8,151,881	8,300,000	8,400,000
Interest on Deposits and Investments	7,091,824	7,000,000	7,000,000
Federal Reimbursements	16,490,091	21,400,000	19,500,000
All Other Sources	149,293,401	206,000,000	155,600,000
Total General Revenue Collections	8,619,276,393	8,971,700,000	9,240,500,000
Refunds	(1,278,687,045)	(1,280,000,000)	(1,312,000,000)
Net General Revenue Collections	\$ 7,340,589,348	\$ 7,691,700,000	\$ 7,928,500,000
Net Growth Rate		4.8%	3.1%

FY 2014 CONSENSUS REVENUE ESTIMATE

Net General Revenue \$7,928,500,000



GENERAL REVENUE SUMMARY

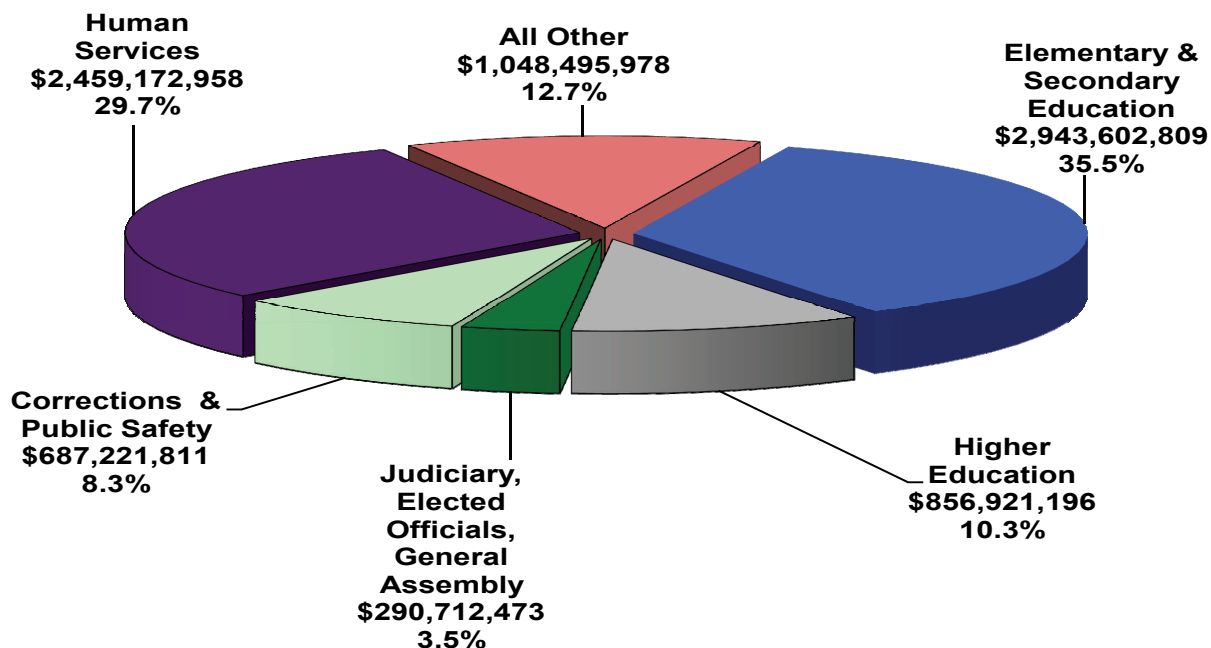
RESOURCES	FY 2012	FY 2013	FY 2014
Beginning Balance	\$ 168,931,183	\$ 64,351,126	\$ 0
Previous Year's Lapse ¹	208,140,137	139,820,067	108,253,029
Revenue Collections	8,619,276,393	8,971,700,000	9,240,500,000
Refunds	(1,278,687,045)	(1,280,000,000)	(1,312,000,000)
Federal Budget Stabilization Receipts	277,269,999	0	0
Other Collections ²	0	19,200,000	132,000,000
Transfers to Fund	150,105,240	182,755,695	123,440,318
Total Resources Available	\$ 8,145,035,907	\$ 8,097,826,888	\$ 8,292,193,347
OBLIGATIONS			
Operating Appropriations	\$ 7,909,511,629	\$ 8,013,807,330	\$ 8,286,127,225
Supplemental/Estimated Appropriations	134,881,752	58,546,813	0
Capital Appropriations	89,632,154	70,000,000	70,000,000
Expenditure Restrictions ³	(53,340,754)	(44,527,255)	(64,000,000)
Total Obligations	\$ 8,080,684,781	\$ 8,097,826,888	\$ 8,292,127,225
Ending Balance	\$ 64,351,126	\$ 0	\$ 66,122

NOTES TO GENERAL REVENUE SUMMARY

- (1) Unexpended appropriations are counted as a resource in the next fiscal year to avoid premature commitment of uncertain resources until actual lapses are known. This includes reserves authorized by Section 33.290, RSMo.
- (2) Includes tax credit reform, tax amnesty, integrated tax system, federal reciprocity, and other collection initiatives.
- (3) The FY 2014 expenditure restriction is applied to the Facilities Maintenance and Reserve Fund as authorized in Article IV, Section 27(b) of the Missouri Constitution.

GOVERNOR'S RECOMMENDED OPERATING BUDGET—GENERAL REVENUE

Total Appropriations* \$8,286,127,225



*Excludes refunds

FY 2014 BUDGET SUMMARY

House Bill	FY 2012 Expenditures	FY 2013 Appropriations	Governor's Recommendation FY 2014
1 Public Debt			
General Revenue	\$ 74,506,006	\$ 45,168,930	\$ 68,095,974
Federal Funds	0	0	0
Federal Stabilization	0	0	0
Other Funds	2,030,804	2,425,406	2,046,748
Total	\$ 76,536,810	\$ 47,594,336	\$ 70,142,722
2 Elementary and Secondary Education			
General Revenue	\$ 2,769,299,220	\$ 2,917,473,811	\$ 2,943,602,809
Federal Funds	947,492,755	1,077,754,530	1,107,303,146
Federal Stabilization	71,326,507	0	0
Other Funds	1,424,765,050	1,363,225,930	1,465,907,656
Total	\$ 5,212,883,532	\$ 5,358,454,271	\$ 5,516,813,611
3 Higher Education			
General Revenue	\$ 789,610,251	\$ 850,432,626	\$ 856,921,196
Federal Funds	3,422,596	7,064,316	7,067,154
Federal Stabilization	0	0	0
Other Funds	297,226,513	345,081,189	340,269,167
Total	\$ 1,090,259,360	\$ 1,202,578,131	\$ 1,204,257,517
4 Revenue			
General Revenue	\$ 74,739,236	\$ 84,888,008	\$ 102,425,504
Federal Funds	3,520,559	8,350,708	8,356,101
Federal Stabilization	0	0	0
Other Funds	381,394,506	355,171,990	361,287,920
Total	\$ 459,654,301	\$ 448,410,706	\$ 472,069,525
4 Transportation			
General Revenue	\$ 9,058,305	\$ 9,344,129	\$ 13,094,129
Federal Funds	70,959,948	174,180,128	175,464,468
Federal Stabilization	0	0	0
Other Funds	2,248,694,917	1,966,208,703	1,933,165,915
Total	\$ 2,328,713,170	\$ 2,149,732,960	\$ 2,121,724,512
5 Office of Administration			
General Revenue	\$ 120,588,991	\$ 112,500,194	\$ 140,437,286
Federal Funds	66,700,197	81,423,009	107,024,190
Federal Stabilization	0	0	0
Other Funds	39,109,754	67,686,780	40,524,644
Total	\$ 226,398,942	\$ 261,609,983	\$ 287,986,120
5 Employee Benefits			
General Revenue	\$ 486,931,441	\$ 492,059,783	\$ 525,149,983
Federal Funds	180,163,035	179,160,497	190,272,309
Federal Stabilization	0	0	0
Other Funds	145,242,953	157,012,713	171,502,131
Total	\$ 812,337,429	\$ 828,232,993	\$ 886,924,423

FY 2014 BUDGET SUMMARY

House <u>Bill</u>	FY 2012 <u>Expenditures</u>	FY 2013 <u>Appropriations</u>	Governor's Recommendation <u>FY 2014</u>
6 <u>Agriculture</u>			
General Revenue	\$ 25,546,766	\$ 14,596,437	\$ 10,485,023
Federal Funds	2,227,427	4,500,772	4,697,306
Federal Stabilization	0	0	0
Other Funds	15,248,276	21,545,025	22,820,235
Total	\$ 43,022,469	\$ 40,642,234	\$ 38,002,564
6 <u>Natural Resources</u>			
General Revenue	\$ 9,070,711	\$ 9,466,601	\$ 12,940,044
Federal Funds	30,428,160	74,450,189	60,087,261
Federal Stabilization	0	0	0
Other Funds	245,408,873	508,980,380	310,560,802
Total	\$ 284,907,744	\$ 592,897,170	\$ 383,588,107
6 <u>Conservation</u>			
General Revenue	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Federal Stabilization	0	0	0
Other Funds	131,739,049	146,827,160	147,531,559
Total	\$ 131,739,049	\$ 146,827,160	\$ 147,531,559
7 <u>Economic Development</u>			
General Revenue	\$ 37,042,607	\$ 36,566,668	\$ 60,934,195
Federal Funds	171,279,074	271,931,564	242,575,123
Federal Stabilization	0	0	0
Other Funds	27,772,692	54,595,047	55,709,948
Total	\$ 236,094,373	\$ 363,093,279	\$ 359,219,266
7 <u>Insurance, Financial Institutions and Professional Registration</u>			
General Revenue	\$ 0	\$ 0	\$ 0
Federal Funds	1,664,699	2,666,798	2,676,553
Federal Stabilization	0	0	0
Other Funds	30,575,150	37,007,548	38,852,112
Total	\$ 32,239,849	\$ 39,674,346	\$ 41,528,665
7 <u>Labor and Industrial Relations</u>			
General Revenue	\$ 1,764,418	\$ 1,744,718	\$ 1,761,079
Federal Funds	42,907,705	65,523,016	65,017,126
Federal Stabilization	0	0	0
Other Funds	71,221,647	66,679,664	69,365,493
Total	\$ 115,893,770	\$ 133,947,398	\$ 136,143,698
8 <u>Public Safety</u>			
General Revenue	\$ 69,629,873	\$ 62,942,001	\$ 61,992,191
Federal Funds	184,529,515	117,793,049	214,100,191
Federal Stabilization	0	0	0
Other Funds	335,618,302	378,735,838	388,996,723
Total	\$ 589,777,690	\$ 559,470,888	\$ 665,089,105

FY 2014 BUDGET SUMMARY

House <u>Bill</u>	FY 2012 <u>Expenditures</u>	FY 2013 <u>Appropriations</u>	Governor's Recommendation <u>FY 2014</u>
9 <u>Corrections</u>			
General Revenue	\$ 576,576,259	\$ 602,496,808	\$ 625,229,620
Federal Funds	5,523,214	10,253,537	5,924,868
Federal Stabilization	0	0	0
Other Funds	34,462,104	54,583,675	48,535,961
Total	\$ 616,561,577	\$ 667,334,020	\$ 679,690,449
10 <u>Mental Health</u>			
General Revenue	\$ 573,342,630	\$ 601,962,619	\$ 624,549,742
Federal Funds	684,453,895	736,276,639	923,152,538
Federal Stabilization	0	0	0
Other Funds	46,229,171	54,835,177	69,605,985
Total	\$ 1,304,025,696	\$ 1,393,074,435	\$ 1,617,308,265
10 <u>Health and Senior Services</u>			
General Revenue	\$ 268,588,996	\$ 270,841,030	\$ 236,785,542
Federal Funds	709,824,560	749,850,856	805,354,049
Federal Stabilization	0	0	0
Other Funds	13,248,152	22,952,087	51,602,042
Total	\$ 991,661,708	\$ 1,043,643,973	\$ 1,093,741,633
11 <u>Social Services</u>			
General Revenue	\$ 1,561,796,497	\$ 1,499,368,101	\$ 1,597,837,674
Federal Funds	3,966,364,958	4,291,533,147	5,400,865,113
Federal Stabilization	62,061,177	0	0
Other Funds	2,276,552,048	2,433,857,166	2,448,245,684
Total	\$ 7,866,774,680	\$ 8,224,758,414	\$ 9,446,948,471
12 <u>Elected Officials</u>			
General Revenue	\$ 59,095,005	\$ 49,614,090	\$ 49,343,746
Federal Funds	13,582,038	19,963,802	20,010,869
Federal Stabilization	0	0	0
Other Funds	50,910,250	42,540,285	42,644,049
Total	\$ 123,587,293	\$ 112,118,177	\$ 111,998,664
12 <u>Judiciary</u>			
General Revenue	\$ 164,427,038	\$ 170,814,312	\$ 171,778,191
Federal Funds	4,096,523	10,549,761	10,593,243
Federal Stabilization	0	0	0
Other Funds	11,013,381	13,626,679	14,355,795
Total	\$ 179,536,942	\$ 194,990,752	\$ 196,727,229
12 <u>Public Defender</u>			
General Revenue	\$ 34,707,096	\$ 36,321,545	\$ 36,599,681
Federal Funds	0	125,000	125,000
Federal Stabilization	0	0	0
Other Funds	1,139,872	2,980,952	2,982,176
Total	\$ 35,846,968	\$ 39,427,497	\$ 39,706,857

THE MISSOURI BUDGET

FY 2014 BUDGET SUMMARY

House Bill	FY 2012 Expenditures	FY 2013 Appropriations	Governor's Recommendation FY 2014
12 General Assembly			
General Revenue	\$ 30,953,223	\$ 32,801,178	\$ 32,990,855
Federal Funds	0	0	0
Federal Stabilization	0	0	0
Other Funds	106,523	292,509	293,301
Total	\$ 31,059,746	\$ 33,093,687	\$ 33,284,156
13 Real Estate			
General Revenue	\$ 111,372,081	\$ 112,403,741	\$ 113,172,761
Federal Funds	20,140,181	21,896,084	21,724,989
Federal Stabilization	0	0	0
Other Funds	12,062,941	15,509,091	15,441,235
Total	\$ 143,575,203	\$ 149,808,916	\$ 150,338,985
14 Operating Supplemental			
General Revenue	\$	\$ 38,546,813	\$
Federal Funds		151,265,968	
Federal Stabilization		0	
Other Funds		57,062,573	
Total	\$	\$ 246,875,354	\$
Total Operating Budget			
General Revenue	\$ 7,848,646,650	\$ 8,052,354,143	\$ 8,286,127,225
Federal Funds	7,109,281,039	8,056,513,370	9,372,391,597
Federal Stabilization	133,387,684	0	0
Other Funds	7,841,772,928	8,169,423,567	8,042,247,281
Total	\$ 22,933,088,301	\$ 24,278,291,080	\$ 25,700,766,103
Capital Improvements - One-Time Projects*			
General Revenue	\$ 89,096,216	70,000,000	70,000,000
Federal Funds	11,102,710	188,243	37,250,796
Federal Stabilization	0	0	0
Other Funds	32,439,588	30,015,000	67,891,149
Total	\$ 132,638,514	\$ 100,203,243	\$ 175,141,945
Federal Stimulus*			
General Revenue	\$ 0	0	0
Federal Funds	279,844,367	0	0
Federal Stabilization	5,813,631	0	0
Other Funds	11,862,799	0	0
Total	\$ 297,520,797	\$ 0	\$ 0
GRAND TOTAL			
General Revenue	\$ 7,937,742,866	\$ 8,122,354,143	\$ 8,356,127,225
Federal Funds	7,400,228,116	8,056,701,613	9,409,642,393
Federal Stabilization	139,201,315	0	0
Other Funds	7,886,075,315	8,199,438,567	8,110,138,430
Total	\$ 23,363,247,612	\$ 24,378,494,323	\$ 25,875,908,048

* Reappropriations are recognized in the budget in the first year they are appropriated. Expenditures from reappropriations are recognized in the year in which the expenditure occurred.

FY 2014 FTE SUMMARY

House Bill	FY 2012 Budget	FY 2013 Budget	Governor's Recommendation FY 2014
1 Public Debt			
General Revenue	0.00	0.00	0.00
Federal Funds	0.00	0.00	0.00
Other Funds	0.00	0.00	0.00
Total	0.00	0.00	0.00
2 Elementary and Secondary Education			
General Revenue	822.50	813.50	814.50
Federal Funds	876.76	864.26	859.26
Other Funds	12.00	12.00	17.00
Total	1,711.26	1,689.76	1,690.76
3 Higher Education			
General Revenue	17.00	17.00	14.03
Federal Funds	6.58	6.58	7.08
Other Funds	52.09	52.09	58.09
Total	75.67	75.67	79.20
4 Revenue			
General Revenue	992.06	969.26	951.26
Federal Funds	11.74	11.74	11.74
Other Funds	439.55	421.55	421.55
Total	1,443.35	1,402.55	1,384.55
4 Transportation			
General Revenue	0.00	0.00	0.00
Federal Funds	17.98	17.98	14.61
Other Funds	6,398.70	5,794.70	5,638.88
Total	6,416.68	5,812.68	5,653.49
5 Office of Administration			
General Revenue	729.04	653.54	657.33
Federal Funds	341.47	341.47	334.88
Other Funds	1,183.06	1,181.06	1,186.36
Total	2,253.57	2,176.07	2,178.57
6 Agriculture			
General Revenue	94.51	87.14	89.14
Federal Funds	37.36	37.36	38.36
Other Funds	277.94	288.51	286.08
Total	409.81	413.01	413.58
6 Natural Resources			
General Revenue	133.04	132.20	132.20
Federal Funds	399.15	386.72	386.88
Other Funds	1,251.87	1,236.38	1,237.72
Total	1,784.06	1,755.30	1,756.80

FY 2014 FTE SUMMARY

House <u>Bill</u>	FY 2012 <u>Budget</u>	FY 2013 <u>Budget</u>	Governor's Recommendation <u>FY 2014</u>
6 <u>Conservation</u>			
General Revenue	0.00	0.00	0.00
Federal Funds	0.00	0.00	0.00
Other Funds	1,842.81	1,812.81	1,812.81
Total	1,842.81	1,812.81	1,812.81
7 <u>Economic Development</u>			
General Revenue	38.35	17.71	51.25
Federal Funds	618.91	589.91	558.40
Other Funds	310.11	326.63	297.60
Total	967.37	934.25	907.25
7 <u>Insurance, Financial Institutions and Professional Registration</u>			
General Revenue	0.00	0.00	0.00
Federal Funds	21.00	21.00	21.00
Other Funds	562.15	557.33	559.33
Total	583.15	578.33	580.33
7 <u>Labor and Industrial Relations</u>			
General Revenue	29.91	28.91	28.91
Federal Funds	617.14	616.61	616.61
Other Funds	177.01	178.54	178.54
Total	824.06	824.06	824.06
8 <u>Public Safety</u>			
General Revenue	1,005.56	466.82	481.82
Federal Funds	387.04	393.54	417.34
Other Funds	3,569.31	4,111.05	4,112.05
Total	4,961.91	4,971.41	5,011.21
9 <u>Corrections</u>			
General Revenue	10,741.45	10,733.45	10,723.45
Federal Funds	52.00	52.00	50.00
Other Funds	253.40	253.40	253.40
Total	11,046.85	11,038.85	11,026.85
10 <u>Mental Health</u>			
General Revenue	4,938.99	4,934.23	4,972.75
Federal Funds	2,475.50	2,448.41	2,449.41
Other Funds	26.00	20.00	23.00
Total	7,440.49	7,402.64	7,445.16
10 <u>Health and Senior Services</u>			
General Revenue	622.64	658.09	657.70
Federal Funds	972.43	999.55	997.94
Other Funds	131.85	130.02	130.02
Total	1,726.92	1,787.66	1,785.66

FY 2014 FTE SUMMARY

House <u>Bill</u>	FY 2012 <u>Budget</u>	FY 2013 <u>Budget</u>	Governor's Recommendation <u>FY 2014</u>
11 <u>Social Services</u>			
General Revenue	1,861.34	1,781.41	1,789.39
Federal Funds	4,923.80	4,873.58	4,835.55
Other Funds	570.04	564.72	534.39
Total	7,355.18	7,219.71	7,159.33
12 <u>Elected Officials</u>			
General Revenue	667.83	660.83	658.33
Federal Funds	107.51	105.51	105.51
Other Funds	217.68	219.68	219.68
Total	993.02	986.02	983.52
12 <u>Judiciary</u>			
General Revenue	3,244.30	3,244.30	3,242.30
Federal Funds	103.25	103.25	103.25
Other Funds	58.50	58.50	58.50
Total	3,406.05	3,406.05	3,404.05
12 <u>Public Defender</u>			
General Revenue	585.13	585.13	585.13
Federal Funds	0.00	0.00	0.00
Other Funds	2.00	2.00	2.00
Total	587.13	587.13	587.13
12 <u>General Assembly</u>			
General Revenue	678.92	684.92	684.92
Federal Funds	0.00	0.00	0.00
Other Funds	1.25	1.25	1.25
Total	680.17	686.17	686.17
14 <u>Operating Supplemental</u>			
General Revenue	0.00	9.93	0.00
Federal Funds	0.00	0.00	0.00
Other Funds	0.00	1.50	0.00
Total	0.00	11.43	0.00
<u>Total Operating Budget</u>			
General Revenue	27,202.57	26,478.37	26,534.41
Federal Funds	11,969.62	11,869.47	11,807.82
Other Funds	17,337.32	17,223.72	17,028.25
Total	56,509.51	55,571.56	55,370.48

SUPPLEMENTAL RECOMMENDATIONS FISCAL YEAR 2013

	<u>GENERAL</u> <u>REVENUE</u>	<u>FEDERAL</u> <u>FUNDS</u>	<u>OTHER</u> <u>FUNDS</u>	<u>TOTAL</u>
Department of Elementary and Secondary Education	\$ 14,610,033	\$ 17,500,000	\$ 36,660,000	\$ 68,770,033
Department of Revenue	5,508,080	0	3,831,666	9,339,746
Department of Transportation	0	15,600,000	0	15,600,000
Office of Administration	0	0	59,216	59,216
Department of Natural Resources	0	0	5,200,000	5,200,000
Department of Economic Development	2,483,569	0	418,591	2,902,160
Department of Public Safety	157,929	350,000	2,953,124	3,461,053
Department of Corrections	3,590,321	0	0	3,590,321
Department of Mental Health	7,450,496	69,256,654	1,119,726	77,826,876
Department of Health and Senior Services	12,291	37,636,462	0	37,648,753
Department of Social Services	4,734,094	10,922,852	6,820,250	22,477,196
TOTAL	\$ 38,546,813	\$ 151,265,968	\$ 57,062,573	\$ 246,875,354

Note: Amounts exclude double-counts - Sections 14.035, 14.060, 14.085, 14.105, 14.160, 14.175, 14.180, 14.265, 14.270, and 14.280 through 14.305.